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ABSTRACT

This booklet describes specific proposed and/or implemented strategies for dealing with some of the problems encountered in the CETA program. These strategies are directed toward four goals: (1) helping those who need help most; (2) creating a jobs program that goes where the jobs are: the private sector; (3) better management, delivering more job training, and jobs for every dollar invested in CETA by taxpayers; and (4) cracking down on fraud and abuse. They include special youth programs, tougher eligibility requirements, an increase in on-the-job-training, changing top level management, the setting up of special monitoring units, and a strengthening of law enforcement efforts. (EB)

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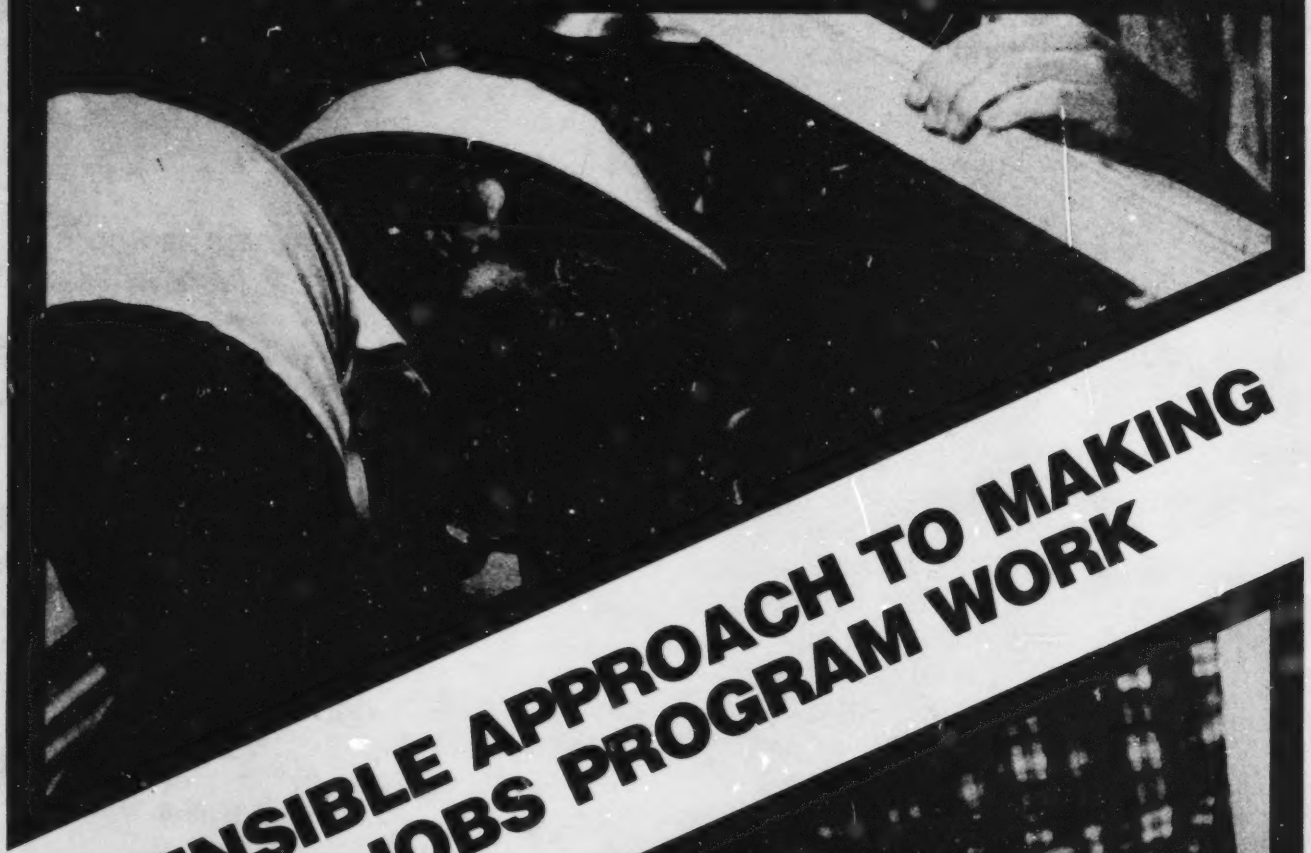
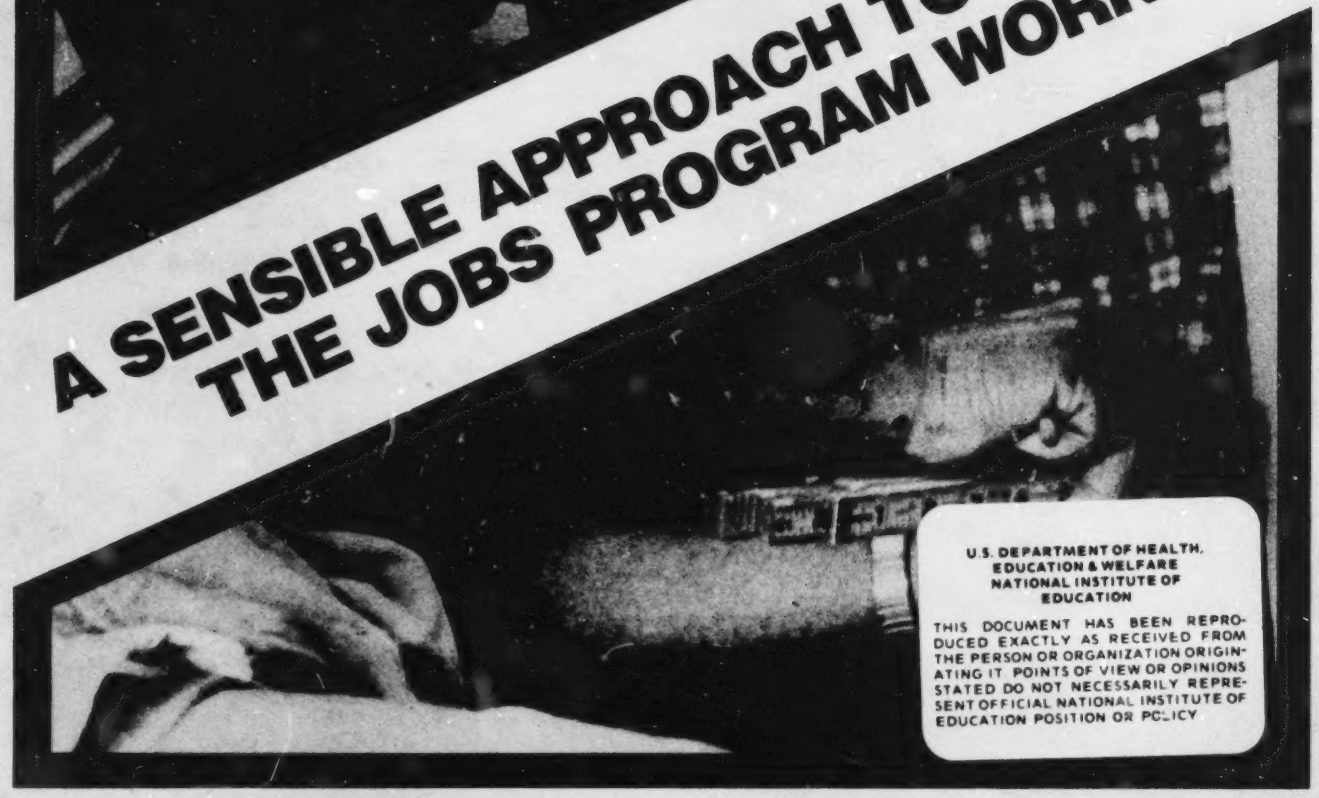
THE NEW CETA



A SENSIBLE APPROACH TO MAKING THE JOBS PROGRAM WORK



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The Secretary of Labor speaks

"We need a jobs program that does more than make work. We need a jobs program that makes sense. We need a jobs program that makes workers out of the jobless by training them in new skills, and then by giving their new skills a chance. *That* is the only sensible way to lay a new foundation for full employment in a stable economy."

"When Congress passed, and the President signed, the Humphrey-Hawkins bill, our nation made a commitment to achieve full employment in a stable economy.

"The only way to cut unemployment and cut inflation at the same time is to increase productivity and fight widespread waste in the economy: Every penny of waste is a penny of inflation. And one of the most costly sorts of waste is the waste of human resources—people who want to work but can't find jobs or people who cannot produce at their full potential—because they simply haven't been taught the skills that our economy needs. For America, every dollar of good training and job experience is a sound investment.

In the past two years, this Administration has reduced the unemployment rate 25%. A sizable piece of that gain was made by CETA, which has created 1,300,000 jobs and training slots since May of 1977. It's a beginning, but it's not enough.

"When this Administration took over CETA, the jobs program had not been working up to its potential. The CETA we inherited failed to put enough emphasis on helping the people who need it most. CETA failed to work efficiently with private businesses. CETA needed better management, tougher management.

"The NEW CETA is an important weapon in the fight for full employment in a stable economy. The Congressional Budget Office has said that CETA is the most efficient tool the Federal government has for reducing unemployment. That's why CETA is one of the most important economic tools to keep in shape. A carpenter with a broken hammer cannot repair much damage or build many new homes.

"What this means for CETA is that we must deliver the most useful training and jobs, to the right people, for the least money. The demand for these programs has exploded in the past three years—such programs were an insignificant item in the U.S. budget ten years ago and now total almost $12 billion. Growth has been so fast that planning in the past has sometimes been poor, and development uneven. For the last two years, we have been identifying problems in CETA and trying to find solutions.

"Today we are laying the four cornerstones of a new foundation for CETA:

"First, directing help and training to those who need it most, so that we can substantially increase the skills level and productivity of our workforce.

"Second, directing the jobs program to where the jobs are: the private sector.

"Third, cracking down on waste and mismanagement, so we can keep our commitment to the unemployed—who benefit from CETA service, but not from CETA waste—and our commitment to the taxpayer who supports CETA.

"Fourth, protecting tax dollars from fraud and abuse. We are simply not willing to close our eyes to improprieties that drain dollars away from the real work of CETA.

We believe this represents a sensible new approach to making our jobs program work.

"That's what the NEW CETA is all about."

Ray Marshall
Secretary of Labor

The head of CETA speaks

"This booklet describes the four major cornerstones of our new jobs program. It points out how each of the changes responds to failures or inefficiencies in the CETA this Administration inherited—defects that we have identified over the past two years. We have not yet found the solutions for every administrative problem, nor can we now guarantee that each problem has a permanent solution. But the NEW CETA represents a sensible new approach to solving the four biggest problems.

"The first goal will be GETTING HELP TO THOSE WHO NEED IT MOST. In the past, CETA jobs and training have not always gone to those who needed them most. The OLD CETA allowed help not only for those without jobs and without skills, but sometimes allowed the use of CETA funds to supplement the salaries of well-trained, middle-income professionals. The NEW CETA will end that kind of waste.

"The second goal will be to direct the jobs program to where the jobs are—in the private sector. In the

long run a balanced, sensible program must make jobs in business and industry the first priority. The NEW CETA does that.

"The third goal will be making tax dollars do more. That means less waste in Washington and less waste in CETA programs around the country. In the past, CETA has not maintained careful enough control. More information must go back and forth between the programs and the managers, CETA must find program successes and duplicate them, and find program failures and correct them. The NEW CETA will do that.

"The fourth goal will be to curb fraud and abuse. Even though the fraud has not been on a large scale, every dollar lost through fraud is important. It is not only a dollar lost to the important work we are doing. It also hurts CETA morale and breaks CETA's contract with the American taxpayer. The NEW CETA will vigorously and systematically attack fraud and abuse, to put an end to that kind of waste."

Ernest Green
Assistant Secretary of Labor for Employment and Training

The people speak

A recent poll by Public Research confirms that the American people strongly support the goals—and the direction—of the NEW CETA. Conducted in June 1978 for the Department of Labor, the Public Research poll sampled 2,009 adults, 18 or older, nationwide.

The poll found that:

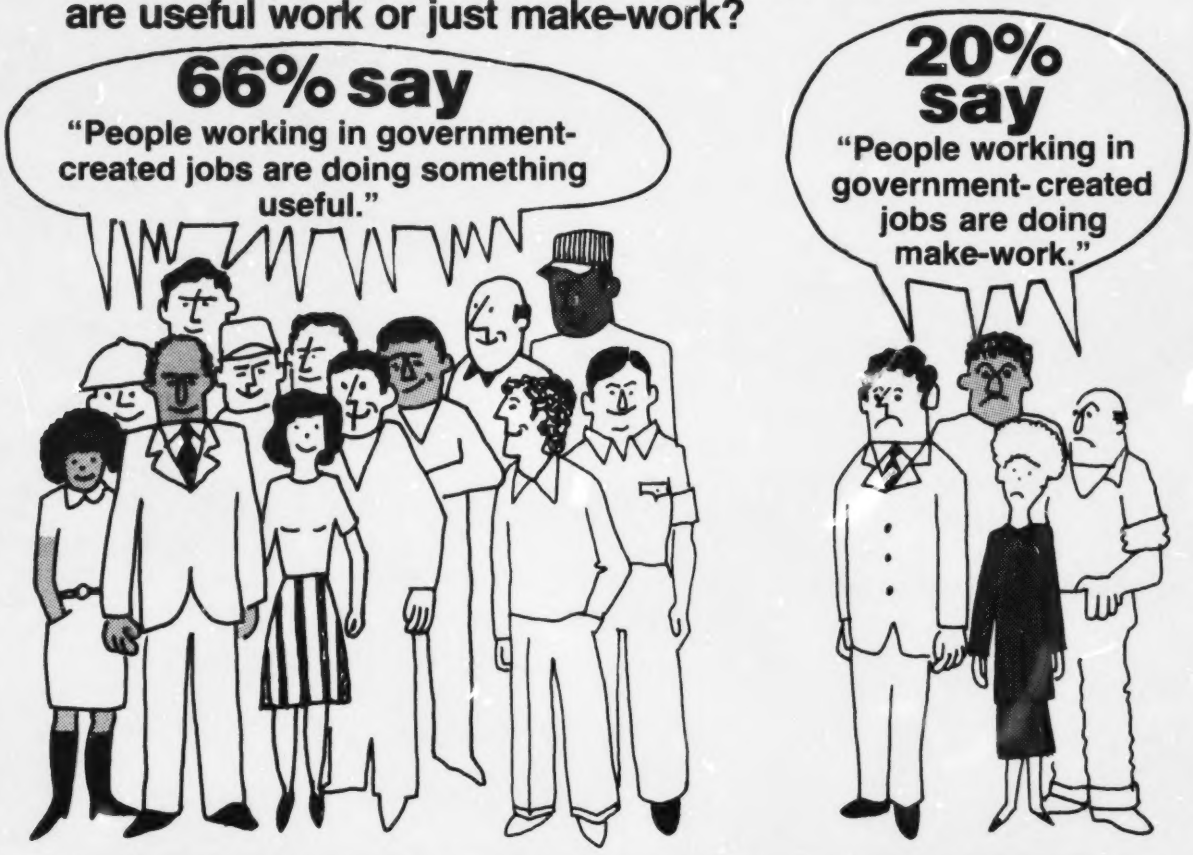
- **Americans believe that our government has a responsibility to help the jobless upgrade their skills through job training programs.**
- **Americans—by a wide margin—think of government-created jobs as "doing something useful" rather than "make-work."**
- **Americans think that the income cutoff is a fair way to tighten eligibility for CETA help, so that help can go to those who need help most.**

"When people can't find jobs because they lack basic skills, should the government provide training—or isn't this a federal government responsibility?"

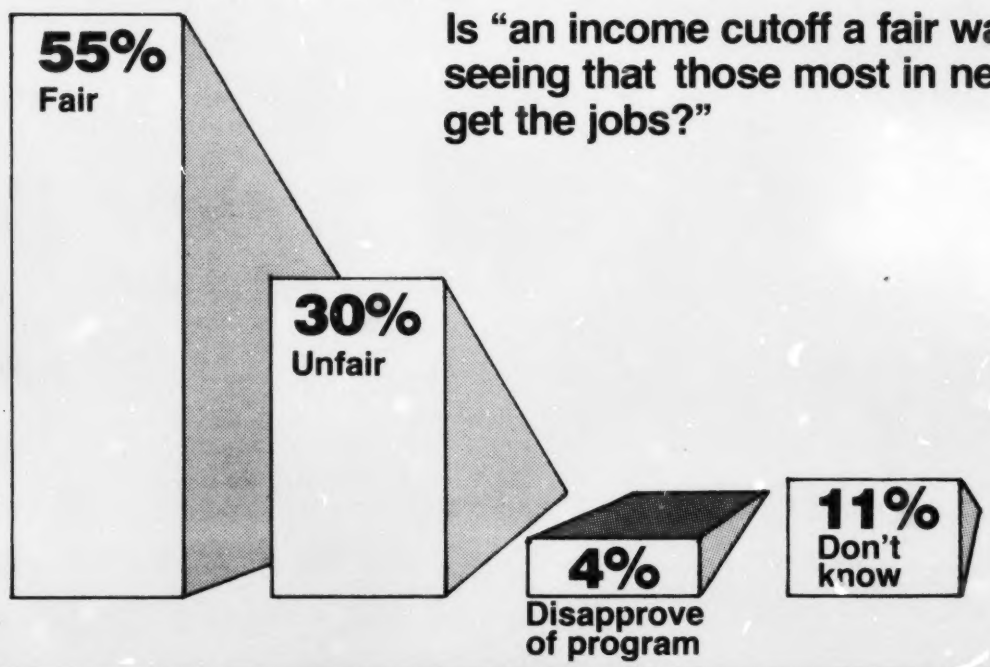
54% Yes, our government should take action!

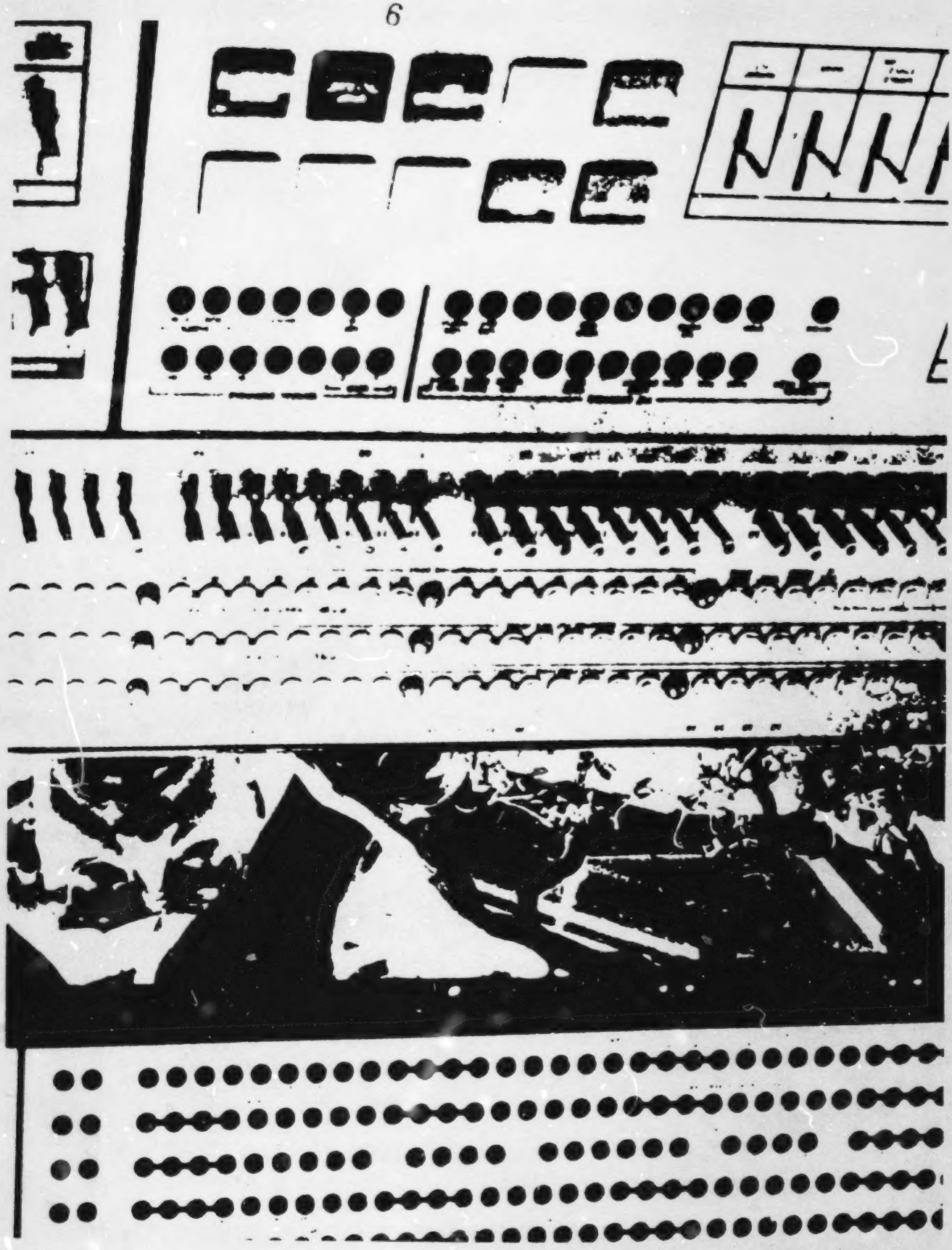
36% No, it's not a federal responsibility!

Do Americans believe that government-created jobs are useful work or just make-work?


66% say
"People working in government-created jobs are doing something useful."
20% say
"People working in government-created jobs are doing make-work."

Is "an income cutoff a fair way of seeing that those most in need get the jobs?"





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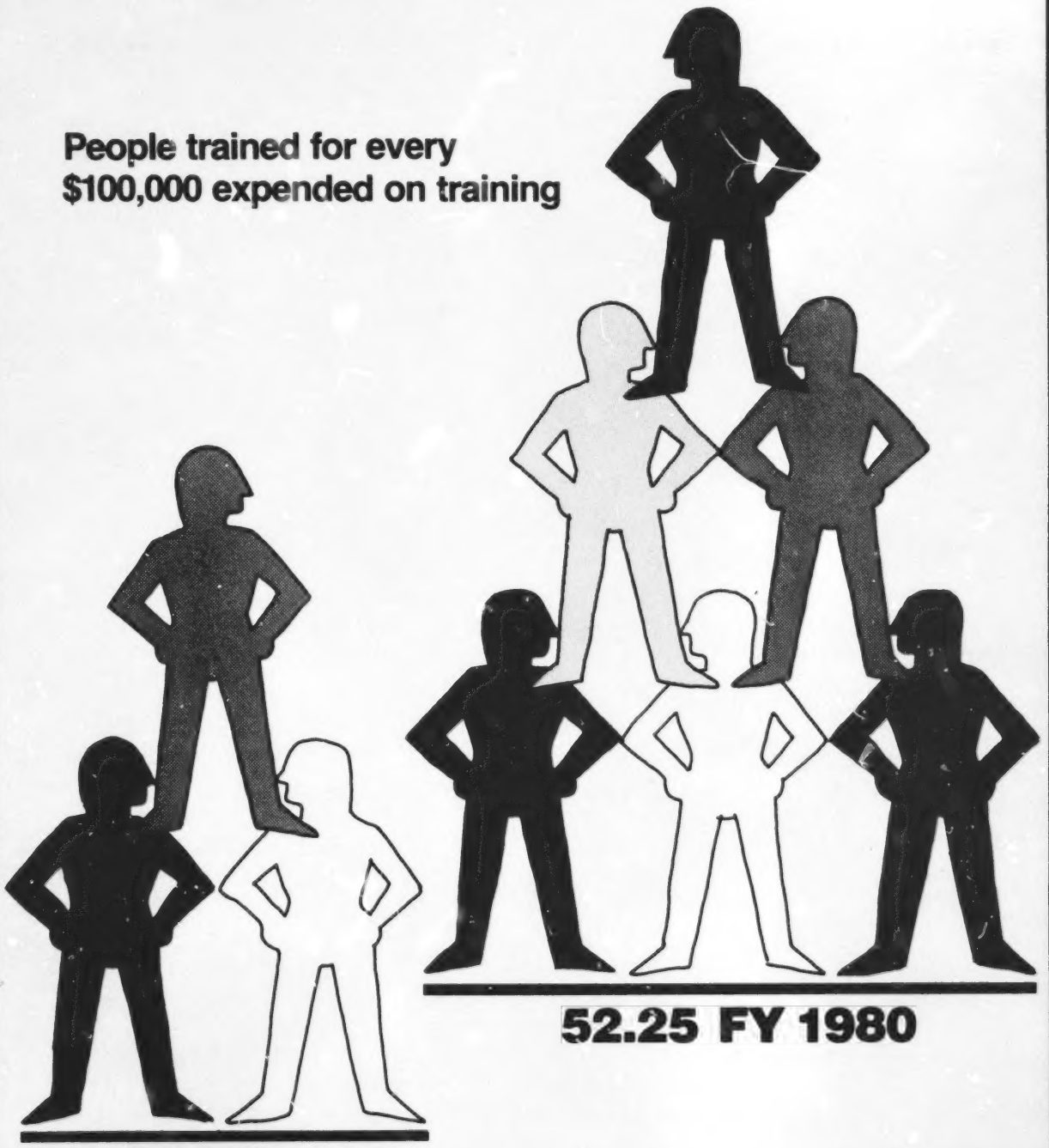
THE NEW CETA

More people helped for every tax dollar expended

People trained for every
$100,000 expended on training



A sensible new approach to making the jobs program work **1.**

GETTING CETA ON TARGET: HELPING THOSE WHO NEED HELP MOST

"The NEW CETA must direct help and training to those who need it most, not just because it's the only fair way to run CETA, but also because it's the best way to substantially increase the skills level and the productivity of the American workforce."

—Ray Marshall

The NEW CETA has taken action to make sure that help goes where help is needed. The NEW CETA is better designed to provide training and experience for the hardest to employ.

- Tough eligibility requirements. Many CETA jobs in the past went to those who needed them least. NEW CETA jobs will go to those who need them most. The only people eligible are those with serious job and training problems.

Under new regulation CETA can fulfill its basic mission: fighting chronic unemployment by increasing the skills and job experience of people who want to work, but are unable to compete or find jobs in our economy.

- Halting the use of CETA money to supplement the pay of middle-income workers. The NEW CETA does this by setting a ceiling on the wage rates that can be paid to CETA workers. For example, a $7,000 CETA payment for a job or training position may no longer be added to a $10,000 salary to make a $17,000 job. And still further, the NEW CETA requires that all jobs created be at the entry level.
- Stopping public employers from using CETA workers as su[illegible]titutes for regular employees. Th[illegible]EW

CETA stops this practice by automatically ending CETA jobs, in most cases, after 18 months. No one may stay in a public service job after that time. Thus, trainees will continue to come through the system.

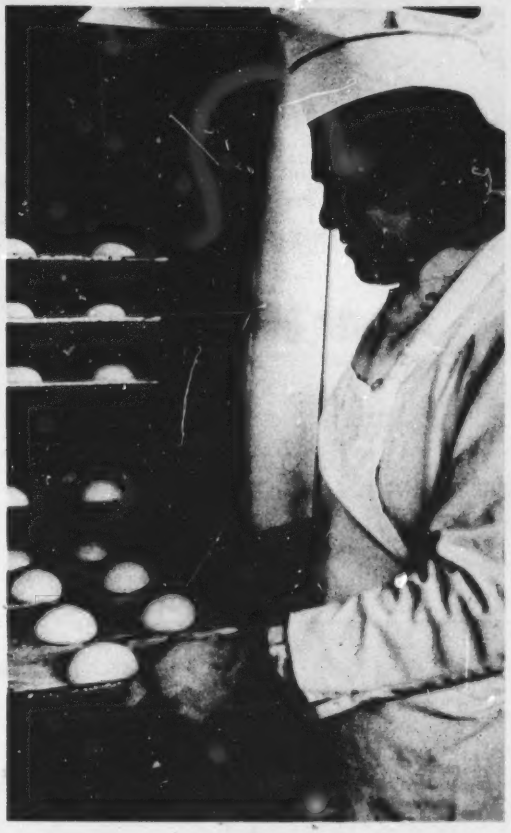
- Matching training with real job needs. The NEW CETA will put a strong emphasis on supporting training for the kind of jobs that are actually available.

- Getting jobs for the newly-trained. Instead of just training workers and leaving them to find jobs by themselves, the NEW CETA makes job placement part of the job and training package.

- A permanent and comprehensive program of employment assistance to the most disadvantaged.

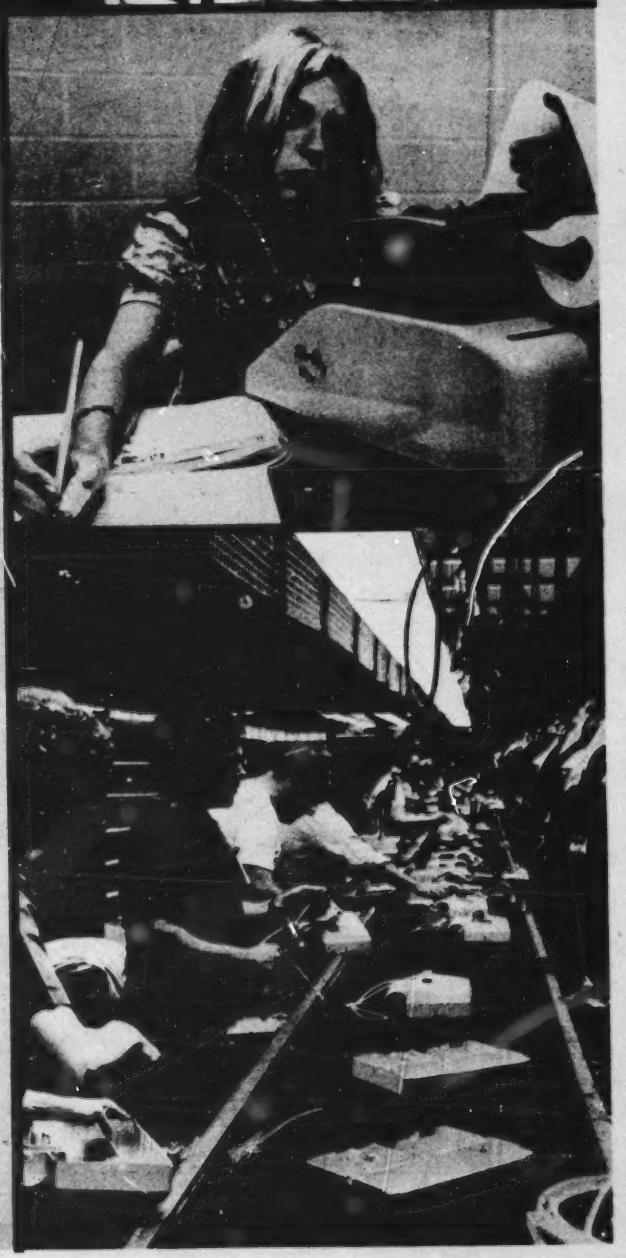
- Helping workers get off welfare. Under the new welfare reform proposals CETA will offer welfare recipients who are the heads of families training and a chance for jobs in private business—or, if necessary, in public service employment. Together with supplementary income assistance, the jobs training program will assure willing workers incomes above the poverty line.

- Getting the jobs to areas hit hardest when unemployment rises. The NEW CETA creates a jobs program that can respond automatically to increases in the national unemployment rate.



- Getting jobs for young people who need help. The NEW CETA includes four programs to give disadvantaged young people a better chance of successfully making it from school into the labor market. These four programs expected to create about 200,000 jobs are:

  —Youth Incentive Entitlement Pilot Project (YIEPP)
  —Youth Community Conservation and Improvement Projects (YCCIP)
  —Youth Employment and Training Programs (YETP)
  —Young Adult Conservation Corps (YACC)



A sensible new approach to making the jobs program work **2.**

A JOBS PROGRAM THAT GOES WHERE THE JOBS ARE: THE PRIVATE SECTOR

"In the long run, a balanced, sensible jobs program must make jobs in business and industry the first priority."

—Ernest Green

In America, our economic health depends on private enterprise. That's where the jobs are. It is critical that, in training the disadvantaged and the unskilled to take part fully in American life, that we train those workers for real opportunities in the private sector. The OLD CETA failed to work closely with the private sector. The NEW CETA will work in close partnership with business.

The Administration is laying a foundation for private sector initiatives, to strengthen the private sector of the American economy—and achieve full employment in a stable economy:

- Giving businesses tax credit incentives to hire and train the disadvantaged. Two new provisions of the 1978 tax law allow employers credit on their tax bills for half of the first $6,000 in wages paid in the first year of an eligible worker's employment, and a quarter of the first $6,000 in the second year. More disadvantaged job seekers will now be covered under these tax breaks, since the new Targeted Jobs Tax Credit expands the WIN tax credits to include disadvantaged young people, Vietnam-era veterans, young people in cooperative education programs, the handicapped, and others.
- Giving business a voice in job training. The NEW CETA includes a $400 million "private sector initiative." The OLD CETA failed to bring in leaders from the private sector to help make programs work. But the NEW CETA establishes private industry councils that local business leaders can help design training programs, help encourage successful placement of trainees, and help direct programs into the kinds of occupations where they are most sorely needed.
- Giving training where it counts: on the job. The NEW CETA includes a major expansion in on-the-job training. The Department of Labor is working with the CETA prime sponsors and business organizations to make the new on-the-job training programs work without the red tape the OLD CETA required, and with faster payment to cooperating employers.
- Matching the workers with the jobs. The NEW CETA will continue—and will strengthen—the Job Service. The Secretary of Labor will soon submit to Congress a report suggesting amendments to the Wagner-Peyser Act that would improve the Job Service in several ways.

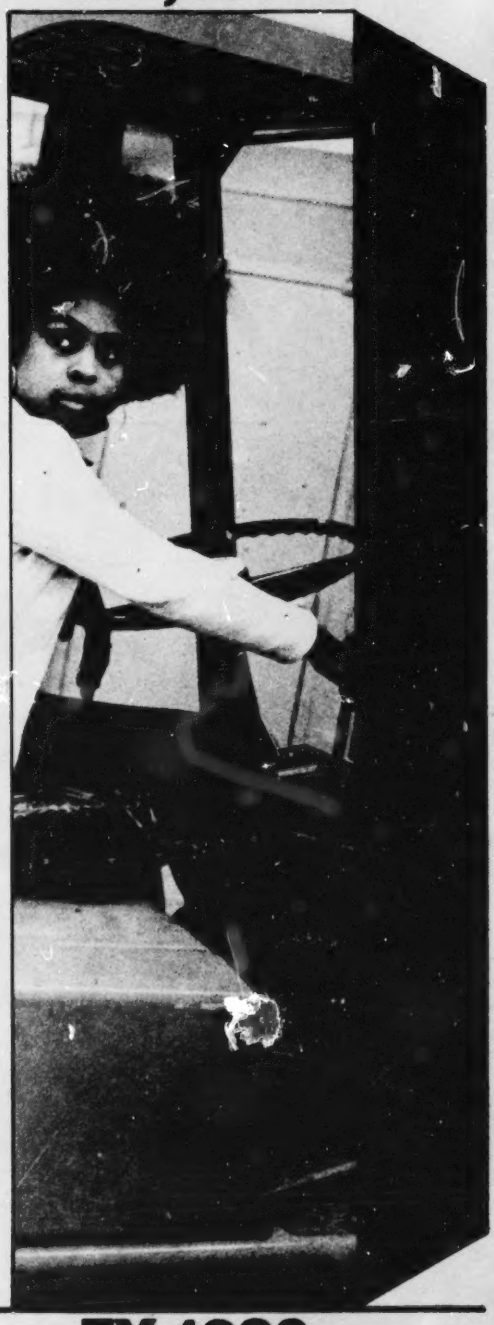
THE NEW CETA
An increase in ON-THE-JOB-TRAINING

CETA participants in on-the-job-training

181,200

FY 1977

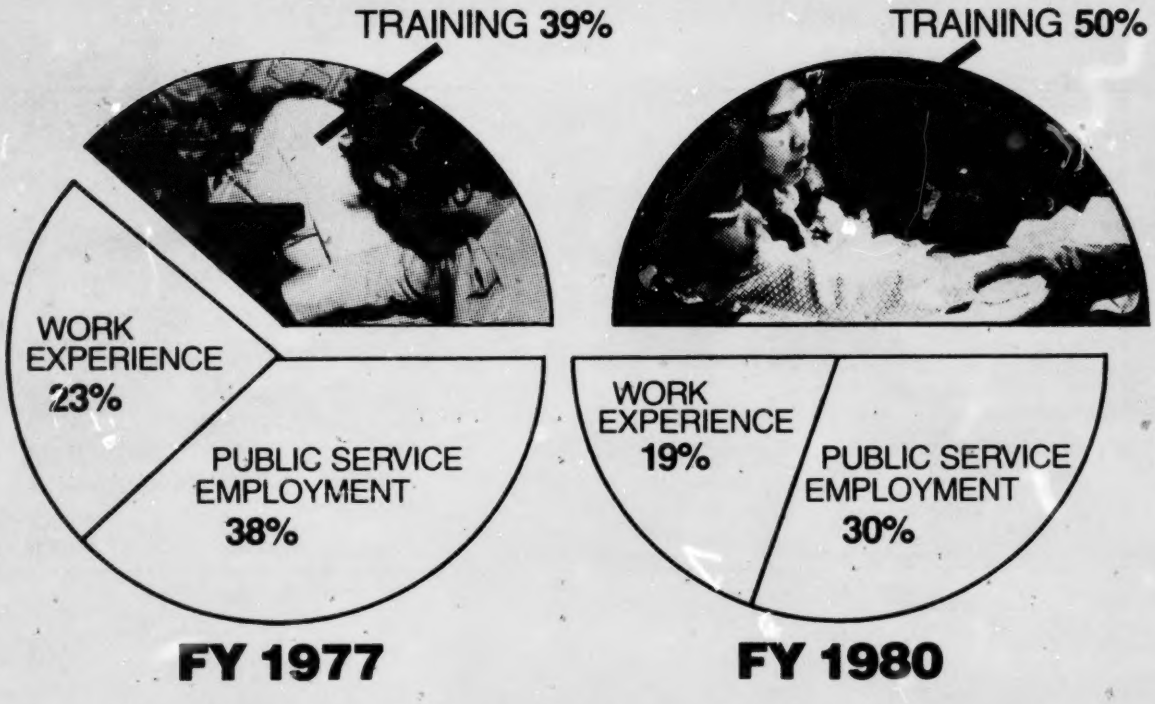
291,600



FY 1980

THE NEW CETA

More emphasis on training



The percentage of CETA participants in training programs will increase dramatically.

A sensible new approach to making the jobs program work **3.**

BETTER MANAGEMENT: DELIVERING MORE JOB TRAINING —AND JOBS— FOR EVERY DOLLAR INVESTED IN CETA BY TAXPAYERS

"Waste in the economy is a crucial element in the rising inflation. Whether it is in business or government it can be crippling. Good management is the best way to cut out inflationary waste. And good management means more than simple cost and accounting controls. It means knowing what programs are working, finding out why, and duplicating those successes. It means finding failures and eliminating them." **—Ernest Green**

The OLD CETA inherited by this Administration often allowed the good programs and the bad programs to co-exist, with little effort to learn from the good or eliminate the bad. In the NEW CETA we have taken action to assure good management at all levels, from the national to the local. Some of the actions we have taken include:

- Changing management at the top. The NEW CETA is strengthening the top level management and will demand better communication of policy to the regional offices. The NEW CETA will have an ombudsman to make sure that problems not solved by established methods will be given high-level attention. Putting civil service reform to work, the NEW CETA is launching new pay and performance evaluation systems to insure that executives and managers are accountable.

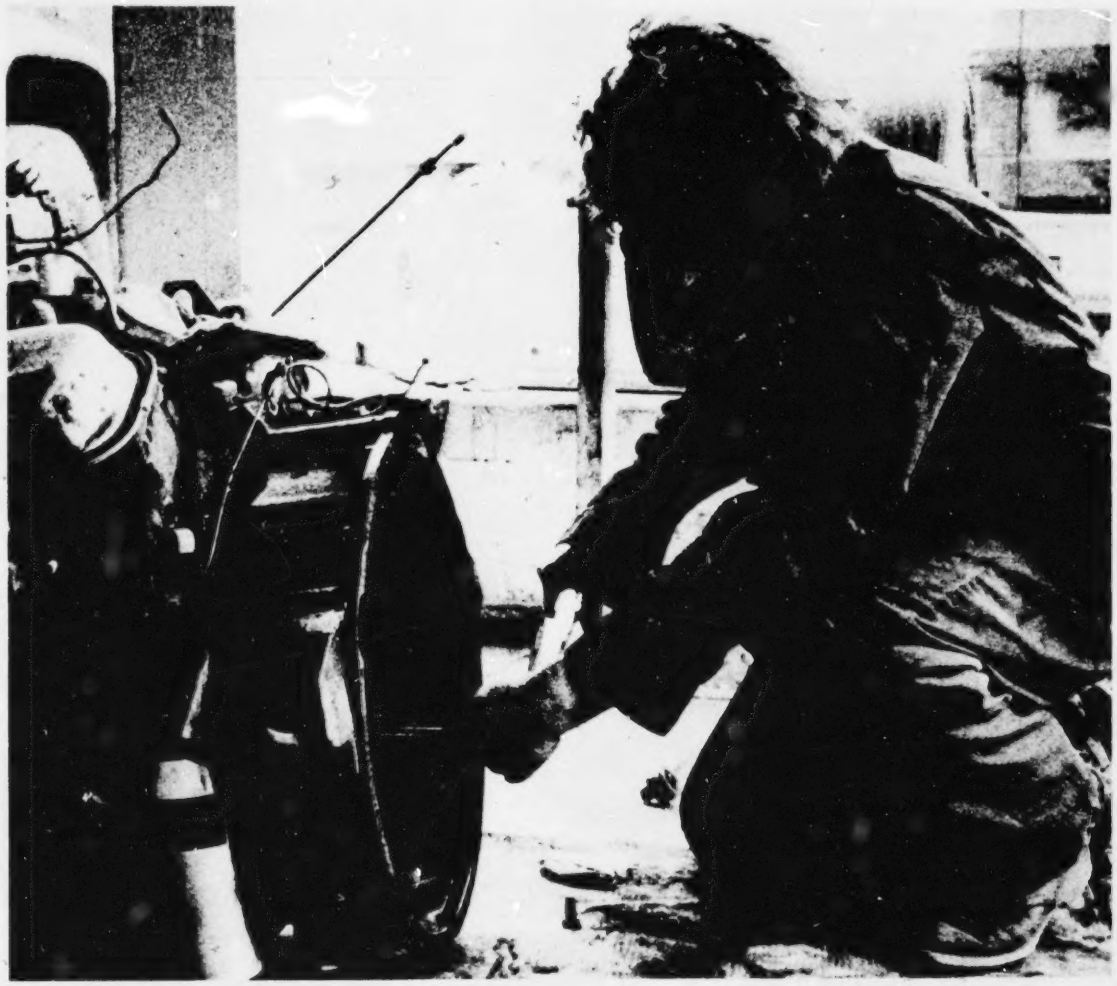
- Cutting red tape. The NEW CETA will regularly simplify its regulations. It will also regularly review each part of the organization to test its effectiveness and whether its structure still meets current needs.

- Helping local managers to be successful. The NEW CETA legislation establishes a new office for management assistance. One major function of it will be to help train and give technical assistance to local program managers. The best way to do that is to help the local managers learn from each other by choosing successful programs and offering them as models.

- Getting information to those who need it, when they need it. In the past, critical management information was inadequate both for the manager and the requirements of the program. The NEW CETA is setting up an automated Management Information System. It will give managers a detailed profile of the program participants, track their progress, and measure the effect of the program on later income and job experience. This information will be available on a timely and routine basis. The NEW CETA managers will now be able to plan, control and evaluate CETA programs from timely data. For example, we shall now be able to see how CETA prime sponsors are coping with the needs of various groups of workers, and which parts of a CETA program are the most

successful in getting workers jobs.

• Helping prime sponsors improve management. The NEW CETA has a system to help assure good management by CETA prime sponsors. One part of the system has prime sponsors set up **independent monitoring units** to make sure the sponsors comply with regulations and recommend action when it is necessary. The units will police the programs **and** determine how effective the programs are. Another key part of the system to make good managers is **accountability:** requiring that the prime sponsors be responsible for determining that only the eligibile get into their programs. A third part of the system is the requirement that prime sponsors set up **tangible goals** for each activity. These will be checked against the record of how many workers got jobs.



A sensible new approach to making the jobs program work **4.**

CRACKING DOWN ON FRAUD AND ABUSE

"Every dollar lost through fraud . . . breaks CETA's contract with the American taxpayer. The NEW CETA will vigorously and systematically attack fraud and abuse."

—Ernest Green

The Labor Department has inaugurated a program to eliminate fraud and abuse, not by waiting until the fraud occurs but by strong preventive action. The actions taken to clean out fraud and abuse include:

- Putting one person in charge. The NEW CETA puts the Inspector General of the Labor Department in charge of all investigation of fraud and abuse. The office has been greatly expanded and reports directly to the Secretary of Labor. In 1978 the office started off with 67 indictments and 24 convictions resulting from Labor Department investigations of CETA and workers compensation programs.
- Stopping fraud and abuse before they happen. The DOL Inspector General will use a new system, the Fraud and Abuse Prevention Survey, to find and correct weaknesses in the CETA programs before they lead to waste or fraud. In the past, CETA usually waited until complaints had been filed to investigate any specific cases. Under the new system, three-person in-

vestigating teams (an investigator, an auditor, and a program analyst) will make random spot checks of Labor Department programs and grantees. They will look for weaknesses, and order swift changes in procedures where needed.

• Improving our Audit Program. The Department's audit program is undergoing a complete review to assure that resources devoted to audit operations are effectively utilized and managed. A well-managed audit program provides an important tool to program managers to help them assess the effectiveness of program operations and assure the proper expenditure of funds by CETA prime sponsors and contractors.

• Enforcing the law. New laws and regulations are being put into place to eliminate the abuse of programs at the local level and the Department has strengthened its enforcement efforts. Some of the laws and regulations that can stop abuse are:

—Conflict of Interest. No member of any prime sponsor council may vote on any matter which has a direct benefit to the prime sponsor or prime sponsor's business or organization.

—Kickbacks. No officer, employee or agent associated with the prime sponsor may solicit or accept gratuities, favors or anything of monetary value from any subgrantee, contractor or supplier.

—Charging of Fees. No CETA funds may be used for the payment of a fee charged to an individual for placement into a CETA activity.

—Nepotism. No prime sponsor, subgrantee or employing agency may hire a person in a CETA funded position if another member of the same family is in an administrative position for that agency.

—Political Patronage. No prime sponsor or subgrantee may select, reject or promote a participant, subgrantee or contractor based on political affiliation.

—Political Activities. No programs may involve political activities.

—Lobbying Activities. No CETA funds may be used to attempt to influence members of Congress, State or local legislators.

—Theft or Embezzlement; Improper Inducement; Obstruction of Investigation. The criminal provisions of 18 USC 665 shall apply for any individual who embezzles, steals, obstructs an investigation or induces any person to give up any money or anything of value.

—Ineligible CETA workers. Knowingly hiring an ineligible individual for a CETA Public Service Employment job is now a criminal offense.

U.S. Department of Labor